

# Lambda Alpha International

## Pacific Club – November 12, 2007

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### Luncheon Panel

Paul Angle, Managing Director, Credit Suisse  
[Paul.angle@credit-suisse.com](mailto:Paul.angle@credit-suisse.com) (CMBS lender)

Dan Phelan, CEO, Pacific Southwest Realty  
[dphelan@prs.com](mailto:dphelan@prs.com) (mortgage banker – portfolio)

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Pat Neal, President requested that anyone interested in being a Meeting Sponsor for 2008 to please sign up now as we need two sponsors per meeting.

Highlights from the meeting:

1. Interest rates and spread are no longer locked and are not finalized until closing
2. Commercial default rates are very low and not a problem
3. No longer making interest only loans. Loan amounts are reduced so you can meet 1.15 to 1.20 DCR
4. Amount of money for real estate lending has shrunk and margins have increased due to uncertainty & risk of the market. This has lead to a drop in loan volume of 15-20%
5. Investors are taking advantage of the uncertainty to get higher yields.
6. Investors who bought at a certain rating level like investment grade, get a certain margin but if rating drops at late date they can't resell at the same price and lose money even though borrower is paying loan on time.

Next meeting is Monday, December 10, 2007

Contact Bonnie Chan at 714/751-2787 x229 for reservations

Submitted by Joseph DeCarlo, CPM, CCIM, CRE  
Chapter Scribe

Pictures from the November Luncheon

